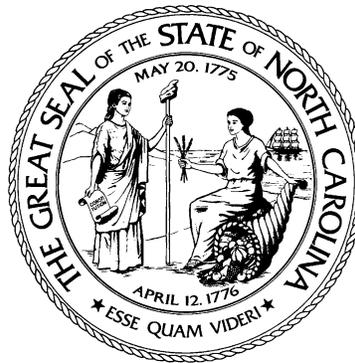


JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON  
INFORMATION TECHNOLOGY



ANNUAL REPORT TO THE  
NORTH CAROLINA GENERAL ASSEMBLY

May 2010

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JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON  
INFORMATION TECHNOLOGY



May 5, 2010

TO THE MEMBERS OF THE 2009 GENERAL ASSEMBLY (REGULAR SESSION 2010):

The Joint Legislative Oversight Committee on Information Technology herewith submits to you for your consideration its annual report. The report was prepared by the Joint Legislative Oversight Committee on Information Technology pursuant to G.S. 120-231(c).

Respectfully submitted,

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Senator Katie Dorsett

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Representative Joe Tolson

Cochairs  
Joint Legislative Oversight Committee on Information Technology

## PREFACE

The Joint Legislative Oversight Committee on Information Technology, established by Article 26 of Chapter 120 of the General Statutes, is authorized to review current information technology that impacts public policy, including electronic data processing and telecommunications, software technology, and information processing. The 16 members of the Committee are appointed by the Speaker of the House and the President Pro Tempore of the Senate. The goals and objectives of the Committee include developing electronic commerce in the State and coordinating the use of information technology by State agencies in a manner that assures that the citizens of the State receive quality services from all State agencies and that the needs of the citizens are met in an efficient and effective manner. The Committee is directed to examine, on a continuing basis, systemwide issues affecting State government information technology, including operations, infrastructure, development, financing, administration, and service delivery. The Committee is authorized to make ongoing recommendations to the General Assembly on ways to improve the effectiveness, efficiency, and quality of State government information technology.

The Committee is chaired by Senator Katie Dorsett and Representative Joe Tolson. The full membership of the Committee is listed in Appendix B of this report. Information concerning the committee meetings and all information presented to the committee is available on the committee's website at <http://www.ncleg.net>.

## COMMITTEE PROCEEDINGS

The Joint Legislative Oversight Committee on Information Technology met \_\_\_\_ times during the 2009-2010 interim.

### September 30, 2009 Meeting

The first meeting of the Joint Legislative Oversight Committee on Information Technology was held on September 30, 2009. The meeting began with introductions and opening remarks by Committee Co-Chairs, followed by a review of the charge of the Committee and introductory comments by the members of the Committee.

**Kay T. Meyer**, Project Director of Statewide Data Integration for the Office of the State Controller, presented an update of the State's Criminal Justice Data Integration Pilot Program and the Data Integration Program.

**Vandana Shah**, Executive Director of the NC Health and Wellness Trust Fund, provided an update on health information technology.

**Jane Patterson**, Executive Director of the c-NC Authority, presented information concerning the status of ARRA and Broadband grant applications.

### November 12, 2009 Meeting

The second meeting of the Joint Legislative Oversight Committee on Information Technology was held on November 12, 2009.

**George Bakolia**, Chief Deputy State Chief Information Officer introduced the State's new State Chief Information Officer, Gerald L. Fralick.

**Gerald L. Fralick**, State Chief Information Officer provided an overview of the State's Information Technology Services.

**Kathy Bromead**, Director of the Enterprise Program Management Office provided an overview of her office.

**Patti Bowers**, Chief Information Technology Procurement Officer, presented a report on GSA Schedule Implementation.

**Jonathan Womer**, Deputy Director for Management, Office of State Budget and Management, presented a report on the transfer of positions associated with the implementation of the BEACON HR/Payroll project.

**Tom Newsome**, Chief Deputy State Controller, discussed potential changes to Senate Bill 991.

**Kenneth R. Lay**, Secretary of the Department of Revenue, presented information concerning the State's Tax Information Management System.

### **December 9, 2009 Meeting**

The third meeting of the Joint Legislative Oversight Committee on Information Technology was held on December 9, 2009.

**Debbie Allen**, SAVAN Administrator for the Governor's Crime Commission, presented information on SAVAN, the North Carolina Statewide Automated Victim Assistance and Notification.

**Sharon Hayes**, Deputy State Chief Information Officer, presented information concerning the Office of Information Technology Services and State Agency Collaboration.

**Jonathan Womer**, Deputy Director for Management, Office of State Budget and Management, presented a report on Information Technology Consolidation and the State Portal Upgrade.

**Julie Batchelor**, Deputy State Controller, discussed the Office of the State Controller Consolidation.

**Thomas Parrish**, Chief Information Officer for the Department of Cultural Resources, discussed the Department of Cultural Resources Consolidation and potential changes to Senate Bill 991.

**David Jones**, Deputy Secretary, Department of Juvenile Justice and Delinquency Prevention, discussed Department of Juvenile Justice and Delinquency Prevention Consolidation and potential changes to Senate Bill 991.

### **January 13, 2010 Meeting**

The fourth meeting of the Joint Legislative Oversight Committee on Information Technology was held on January 13, 2010.

**Kenneth R. Lay**, Secretary of the Department of Revenue, presented an update on the Tax Information Management System.

**Kay Meyer**, Project Director of Statewide Data Integration, Office of the State Controller gave an overview of the current status and expansion of criminal justice law enforcement automated data services.

**James Staton**, State Purchasing Officer, presented information on E Procurement.

### **February 3, 2010**

The fifth meeting of the Joint Legislative Oversight Committee on Information Technology was held on February 3, 2010.

**Jane Smith Patterson**, Executive Director of the e-NC Authority presented an update concerning Broadband and the American Recovery and Reinvestment Act (ARRA).

**Angeline Sligh**, Director of North Carolina Medicaid Management Information Services (NC MMIS) for the Department of Health and Human Services, presented information on NC MMIS.

**Anthony Vellucci**, NC FAST Program Director, and **Sherry Bradsher**, Director of the Division of Social Services, presented information on North Carolina Families Accessing Services through Technology (NC FAST).

### **March 10, 2010**

The sixth meeting of the Joint Legislative Oversight Committee on Information Technology was held on March 10, 2010.

**Jonathan Womer**, Deputy Director for Management, Office of State Budget and Management, presented a report on E-Forms and Digital Signatures and on the North Carolina Budget Reform and Accountability Commission.

**Karlynn O'Shaughnessy**, of the General Assembly's Fiscal Research Division, presented information concerning information technology contractors in State Government.

### **April 14, 2010**

The seventh meeting of the Joint Legislative Oversight Committee on Information Technology was held on April 14, 2010.

**Karlynn O'Shaughnessy**, of the General Assembly's Fiscal Research Division, presented additional information concerning information technology contractors in State Government.

**Bob Brinson**, Chief Information Officer of the Department of Correction and Chairman of the Criminal Justice Information Network (CJIN) Board, presented information concerning the State's Criminal Justice Information Network.

**Gerald L. Fralick**, State Chief Information Officer, presented a report on the Budget Reform and Accountability Commission (BRAC) and its Information Technology recommendations.

**Kenneth R. Lay**, Secretary of the Department of Revenue, provided an update concerning the State's Tax Information Management System.

**Ed Turlington**, Counsel to the North Carolina Technology Association (NCTA), shared NCTA's ideas on IT and State Government.

### **May 5, 2010**

The eighth meeting of the Joint Legislative Oversight Committee on Information Technology was held on May 5, 2010 to consider the Committee's report and recommendations to the General Assembly

## **RECOMMENDATIONS**

The Joint Legislative Oversight Committee on Information Technology heard numerous reports and had extensive discussions with State agencies on the use of information technology to ensure that the needs of the State's citizens are met in an efficient and effective manner. The Committee makes the following recommendations:

### **E Forms and Digital Signatures:**

1. The State Chief Information Officer (SCIO) should develop a plan to establish an enterprise electronic forms and digital signature project, incorporating current efforts in individual agencies. The plan should establish standards and procedures for a Statewide system and should identify and quantify potential cost savings. It should also include a timeline with specific milestones. By November 1, 2010, the SCIO should present a report on this plan to the Joint Legislative Oversight Committee on Information Technology prior to the long session.
2. The North Carolina General Assembly should serve as a role model for State agencies, implementing a paperless office environment and making whatever legislative changes are required to accomplish this. A Request for Information (RFI) should be prepared to encourage vendors to identify creative ways to reduce the use of paper and increase the use of technology within the General Assembly.

### **Medicaid Fraud Reduction:**

The Department of Health and Human Services should initiate a pilot program to determine the feasibility of using a biometric or "smart" identification card to reduce Medicaid fraud. This smart card would use fingerprints as a means of positive identification. DHHS should explore the possibility of establishing a public-private partnership to provide a funding source for the project. The card used for this project should be capable of interfacing with other DHHS projects.

### **Consolidation:**

The SCIO should continue to move forward with consolidation, establishing priorities and identifying financial savings. (Any consolidation effort should be able to identify cost savings.) In conjunction with this effort, by October 1, 2010, the SCIO should develop a report to present to the Joint Legislative Oversight Committee on Information Technology that does the following:

- Recommends a governance structure
- Establishes priorities for enterprise projects
- Identifies private sector best practices
- Develops milestones for implementation

The SCIO's recommendations should become an integral part of the State's next Information Technology Plan.

**Contractors:**

Contractors performing long term, routine functions should be converted to or replaced by State employees, unless the agency can demonstrate that the individual costs less than a State employee performing the same function. This requirement should not apply to contractors hired in support of a specific project, but should apply to contractors who move from project to project, in the same manner as a State employee. It also should not include contractors who perform unique functions for which there are no comparable State employees. The determination as to which contractors should be converted should be made by a neutral third party, such as the IT Procurement Office. Agencies should be given milestones for completing conversions, with some form of penalty for failing to meet established timelines. Priority for conversion should go to those who have been employed the longest.

The SCIO should develop a project management framework that includes standards for determining the circumstances under which it is appropriate to use contractor support.

**Cost Reduction:**

The Joint Legislative Oversight Committee on Information Technology should set the example by using technology to reduce costs. Examples include coordination through electronic mail, conducting meetings using webcasts, and having Members bring their computers to Committee meetings to view slides and read reports.

**Tax Information Management System:**

S.L. 2009-451, Section 6.20, Pilot Program to Allow Public-Private Partnerships to Meet Department of Revenue Technology Needs, which allows the Department of Revenue to establish public-private partnerships to pay for the Tax Information Management System (TIMS), should be amended. The amendments should remove current time limits on the public-private partnership and extend the TIMS Oversight Committee to June 30, 2015.

## APPENDIX A

### North Carolina General Statutes Chapter 120 Article 26.

Joint Legislative Oversight Committee on Information Technology.

#### **§ 120-230. Creation and purpose of the Joint Legislative Oversight Committee on Information Technology.**

There is established the Joint Legislative Oversight Committee on Information Technology. The Committee shall review current information technology that impacts public policy, including electronic data processing and telecommunications, software technology, and information processing. The goals and objectives of the Committee shall be to develop electronic commerce in the State and to coordinate the use of information technology by State agencies in a manner that assures that the citizens of the State receive quality services from all State agencies and that the needs of the citizens are met in an efficient and effective manner. The Committee shall examine, on a continuing basis, systemwide issues affecting State government information technology, including, but not limited to, State information technology operations, infrastructure, development, financing, administration, and service delivery. The Committee may examine State agency or enterprise-specific information technology issues. The Committee shall make ongoing recommendations to the General Assembly on ways to improve the effectiveness, efficiency, and quality of State government information technology. (1999-237, s. 22(a); 2004-129, s. 7A(b).)

#### **§ 120-231. Committee duties; reports.**

- (a) The Joint Legislative Oversight Committee on Information Technology may:
- (1) Evaluate the current technological infrastructure of State government and information systems use and needs in State government and determine potential demands for additional information staff, equipment, software, data communications, and consulting services in State government during the next 10 years. The evaluation may include an assessment of ways technological infrastructure and information systems use may be leveraged to improve State efficiency and services to the citizens of the State, including an enterprise-wide infrastructure and data architecture.
  - (2) Evaluate information technology governance, policy, and management practices, including policies and practices related to personnel and acquisition issues, on both a statewide and project level.
  - (3) Study, evaluate, and recommend changes to the North Carolina General Statutes relating to electronic commerce.
  - (4) Study, evaluate, and recommend action regarding reports received by the Committee.
  - (5) Study, evaluate, and recommend any changes proposed for future development of the information highway system of the State.
- (b) The Committee may consult with the State Chief Information Officer on statewide technology strategies and initiatives and review all legislative proposals and other recommendations of the State Chief Information Officer.
- (c) The Committee shall submit annual reports to the General Assembly on or before the convening of the regular session of the General Assembly each year. The Committee may submit

interim reports at any time it deems appropriate. (1999-237, s. 22(a); 2004-129, ss. 7A(c), 36; 2006-264, s. 10.)

**§ 120-232. Committee membership; terms; organization; vacancies.**

(a) The Committee shall consist of 16 members as follows:

(1) Eight members of the Senate at the time of their appointment, appointed by the President Pro Tempore of the Senate. At least two appointees shall be members of the Senate Appropriations Committee.

(2) Eight members of the House of Representatives at the time of their appointment, appointed by the Speaker of the House of Representatives. At least two appointees shall be members of the House of Representatives Appropriations Committee.

(3), (4) Repealed by Session Laws 2004-129, s. 7A(d), effective July 1, 2004.

(b) Members of the Committee shall serve terms of two years beginning at the convening of the General Assembly in each odd-numbered year, with no prohibition against being reappointed, except initial appointments shall begin on appointment and end on the day of convening of the 2005 General Assembly.

(c) Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected, but resignation or removal from service constitutes resignation or removal from service on the Committee.

(d) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each select a legislative member from their appointees to serve as cochair of the Committee.

(e) The Committee shall meet at least once a quarter and may meet at other times upon the call of the cochairs. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of the Committee shall be necessary for action to be taken by the Committee.

(f) All members shall serve at the will of their appointing officer. A member continues to serve until the member's successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment. (1999-237, s. 22(a); 2001-486, s. 2.7; 2004-129, s. 7A(d).)

**§ 120-233. Assistance; per diem; subsistence; and travel allowances.**

(a) The Committee may contract for consulting services as provided by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Committee. The professional staff shall include the appropriate staff from the Fiscal Research, Research, Legislative Drafting, and Information Systems Divisions of the Legislative Services Office of the General Assembly. Clerical staff shall be furnished to the Committee through the offices of the Senate and the House of Representatives Supervisors of Clerks. The expenses of employment of the clerical staff shall be borne by the Committee. The Committee may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission.

(b) Members of the Committee shall receive per diem, subsistence, and travel allowances as follows:

(1) Committee members who are members of the General Assembly, at the rate established in G.S. 120-3.1.

- (2) Committee members who are officials or employees of the State or of local government agencies, at the rate established in G.S. 138-6.
- (3) All other Committee members, at the rate established in G.S. 138-5. (1999-237, s. 22(a).)

**§ 120-234. Committee authority.**

The Committee may obtain information and data from all State officers, agents, agencies, and departments, while in discharge of its duties, under G.S. 120-19, as if it were a committee of the General Assembly. The provisions of G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a committee of the General Assembly. Any cost of providing information to the Committee not covered by G.S. 120-19.3 may be reimbursed by the Committee from funds appropriated to it for its continuing study. (1999-237, s. 22(a).)

**§ 120-235. Committee subcommittees; noncommittee membership.**

The Committee cochairs may establish subcommittees for the purpose of making special studies pursuant to its duties, and may appoint noncommittee members to serve on each subcommittee as resource persons. Resource persons shall be voting members of the subcommittee and shall receive subsistence and travel expenses in accordance with G.S. 138-5 and G.S. 138-6. (1999-237, s. 22(a).)

**§§ 120-236 through 120-239. Reserved for future codification purposes.**

## **APPENDIX B**

### JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON INFORMATION TECHNOLOGY

#### **Committee Members**

##### **Co-Chairs**

Rep. Joe P. Tolson (Co-Chair)

Sen. Katie G. Dorsett (Co-Chair)

##### **Legislative Members**

Rep. James Monroe Gulley

Rep. Mark K Hilton

Rep. Grier Martin

Rep. Garland E. Pierce

Rep. Raymond C. Rapp

Rep. Thomas R. Tillis

Rep. Russell E. Tucker

Sen. Austin Murphy Allran

Sen. Robert C. Atwater

Sen. Anthony E. Foriest

Sen. Malcolm Graham

Sen. Jim Jacumin

Sen. Joe Sam Queen

Sen. Richard Yates Stevens